VERIZON NORTHWEST INC SEPARATED RESULTS SUMMARY STATE OF WASHINGTON - COMBINED QUARTERLY COMPLIANCE REPORT TWELVE MONTHS ENDED SEPTEMBER 2009 (Dollars in Thousands)

| | BO | OKED BASI | S | I | ADJ | ADJUSTED BASIS | | | |
|--------------------------------|---------------------|-------------------|---------------------|---|--------------------|----------------------------|----------------|--|--|
| | _ | | | | _ | | | | |
| | Total | Interatoto | Intractato | | Total | Interatoto | Intractato | | |
| OPERATING REVENUES | Regulated | Interstate | Intrastate | | Regulated | Interstate | Intrastate | | |
| Local Network Service | 178,730 | - | 178,730 | | 178,730 | | 178,730 | | |
| Network Access Revenues | 232,810 | - 212,443 | 20,367 | | 232,810 | 212,443 | 20,367 | | |
| Long Dist Netwk Revenues | 15,497 | 212,443 49 | 15,448 | | 15,497 | 212,443 49 | 20,307 | | |
| Miscellaneous Revenues | 27,668 | 9,317 | 18,352 | | 65,168 | 49 9,317 | 55,852 | | |
| Uncollectibles | (3,446) | (836) | (2,610) | | , | (836) | (2,610) | | |
| Total Operating Revenues | 451,259 | 220,972 | 230,287 | | (3,446) 488,759 | 220,972 | 267,787 | | |
| Total Operating Revenues | 451,259 | 220,972 | 230,207 | | 466,759 | 220,972 | 201,101 | | |
| OPERATING EXPENSES | | | | | | | | | |
| Plant Specific Operations | 57,673 | 14,328 | 43,345 | | 53,496 | 13,291 | 40,206 | | |
| Plant Non-Spec Operations | 38,335 | 13,084 | 25,251 | | 35,136 | 11,992 | 23,144 | | |
| Customer Operations | 46,720 | 10,406 | 36,314 | | 43,565 | 9,703 | 33,862 | | |
| Corporate Operations | 84,614 | 20,011 | 64,602 | | 81,102 | 19,181 | 61,921 | | |
| Depreciation & Amort | 195,779 | 51,637 | 144,142 | | 195,779 | 51,637 | 144,142 | | |
| Other Income & Expenses | (891) | (228) | (663) | | (891) | (228) | (663) | | |
| Juris Diff - Depr/IDC | - | - | - | | - | - | - | | |
| Total Operating Expenses | 422,230 | 109,238 | 312,992 | | 408,187 | 105,575 | 302,611 | | |
| Operating Taxes Other than Inc | 21,773 | 5,564 | 16,210 | | 21,773 | 5,564 | 16,210 | | |
| EBIT | 7,256 | 106,170 | (98,914) | | 58,799 | 109,833 | (51,034) | | |
| INCOME TAXES | | | | | | | | | |
| State Income Tax | _ | _ | - | | - | _ | _ | | |
| Net Federal Income Tax | (3,093) | 35,710 | (38,804) | | 14,947 | 36,992 | (22,045) | | |
| Total Income Taxes | (3,093) | 35,710 | (38,804) | | 14,947 | 36,992 | (22,045) | | |
| NET OPERATING INCOME | 10,349 | 70,460 | (60,110) | | 43,853 | 72,841 | (28,988) | | |
| INVESTMENT (AVG) | | | | | | | | | |
| Telecomm Plant in Service | 2,783,433 | 711,382 | 2,072,051 | | 2,777,920 | 709,973 | 2,067,946 | | |
| Other Assets (SFAS 87) | 2,700,400 | | 2,012,001 | | 2,111,320 | 103,313 | 2,007,340 | | |
| Juris Assets-TPIS | - | - | - | | - | - | - | | |
| Depr & Amort Reserve | 1,680,426 | 425,656 | - 1,254,770 | | 1,680,426 | - 425,656 | - 1,254,770 | | |
| Deferred Income Taxes | 228,582 | 425,656 56,312 | 1,254,770 | | 228,582 | 425,656 56,312 | 1,254,770 | | |
| Net - Pension Plan | (56,269) | (13,368) | (42,901) | | (150,427) | , | (114,689) | | |
| RATE BASE | (56,269) 930,694 | 242,783 | (42,901) 687,911 | | 1,019,339 | <u>(35,738)</u> 263,744 | 755,595 | | |
| - | | , | , | | , , | , | , | | |
| Rate Base ROR | 1.11% | 29.02% | -8.74% | | 4.30% | 27.62% | -3.84% | | |

VERIZON NORTHWEST INC SEPARATED RESULTS SUMMARY STATE OF WASHINGTON - COMBINED QUARTERLY COMPLIANCE REPORT TWELVE MONTHS ENDED SEPTEMBER 2009 (Dollars in Thousands)

| | | | | | ADJUSTMENTS | 6 | | | | | | |
|--|---|----------------------------------|----------|-----|-------------|-----|-----|-----|-----|-----|-------------|------------|
| | TOTAL STATE | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | ADJUSTED | ADJUSTED |
| | BOOKED | Docket # | FAS 106 | | | | | | | | TOTAL STATE | INTRASTATE |
| | RESULTS | UT-061777 | OPEB | | | | | | | | _ | |
| Operating Revenues | 451,259 | 37,500 | | | | | | | | | 488,759 | 267,787 |
| Operating Expenses/Taxes | 444,003 | | (14,043) | | | | | | | | 429,960 | 318,821 |
| EBIT | 7,256 | 37,500 | 14,043 | | | | | | | | 58,799 | (51,034) |
| Income Taxes | (3,093) | 13,125 | 4,915 | | | | | | | | 14,947 | |
| Net Operating Income | 10,349 | 24,375 | 9,128 | | | | | | | | 43,853 | (28,988) |
| Rate Base | 930,694 | | 88,645 | | | | | | | | 1,019,339 | 755,595 |
| Rate of Return | 1.11% | | | | | | | | | | 4.30% | -3.84% |
| Adjustment Footnotes: (A) Order No. 1 in Dock (B) FAS 106 OPEB (Adj (C) (D) (E) (F) (G) (H) (I) | tet # UT061777 from accrual to payge | Account(s) 5230 o) Various | | | | | | | | | | |

VERIZON NORTHWEST INC SEPARATED RESULTS SUMMARY STATE OF WASHINGTON - COMBINED QUARTERLY COMPLIANCE REPORT TWELVE MONTHS ENDED SEPTEMBER 2009 (Dollars in Thousands)

ADJUSTMENTS - TOTAL STATE

| OPERATING REVENUES Distribution Distribution Local Network Service 37,500 37,500 Long Dist Wix Revenues 37,500 37,500 Long Dist Wix Revenues 37,500 37,500 Total Operating Revenues 37,500 37,500 OPERATING EXPENSES (4,177) (4,177) Plant Specific Operations (3,199) (3,199) Corporation Generations (3,155) (3,155) Corporation Coperations (3,152) (3,512) Oper & Amort (3,512) (3,512) Operating Taxes Other than Income EBIT 51,543 37,500 Total Operating Taxes Other than Income EBIT 51,543 37,500 Net Deferating Taxes Other than Income Tax 18,040 13,125 4,915 Net Pretext (NCOME 33,503 24,375 9,128 Invest Kern (Arco) (5,513) (5,513) (5,513) Other Income Taxe (5,513) (5,513) (5,513) Telecom Plant In Service (5,513) (5,513) (5,513) Other LT Lab - SFAS | TOTAL STATE | TOTAL ADJUSTMENTS | (A) Docket # UT-061777 | (B) & (E) FAS 106 OPEB | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|---|---------------------------|----------------------|------------------------------|------------------------------|-----|-----|-----|-----|-----|-----|-----|
| Network Access Revenues Long Dist Nwk Revenues Miscellaneous Revenues37,50037,500Total Operating Revenues37,50037,500OPERATING EXPENSES Deprations Customer Operations Juris Dif - Deprition EBIT(4,177) (4,177)(4,177) (4,177)Piant Specific Operations Coporate Operations Juris Dif - Depritions EBIT(4,177) (3,159)(4,177) (3,159)Total Operating Expenses Operating Taxes Other than income EBIT(14,043) | OPERATING REVENUES | | | | | | | | | | |
| Long Dist Nuck Revenues 37,500 37,500 Miscellaneous Revenues 37,500 37,500 Total Operating Revenues 37,500 37,500 OPERATING EXPENSES (4,177) (4,177) Plant Specific Operations (3,199) (3,199) Customer Operations (3,155) (3,199) Customer Operations (3,512) (3,512) Oper & Amort (3,512) (3,512) Operating Taxes Other than Income EBT 51,543 37,500 14,043 INCOME TAXES 18,040 13,125 4,915 Net Foderal Income Tax Total Income Tax 18,040 13,125 4,915 Net Foderal Income Tax Total Income Tax 18,040 13,125 4,915 Net Foderal Income Tax Total Income Tax 18,040 13,125 4,915 Net Foderal Income Tax Total Income Tax 18,040 13,125 4,915 Net Foderal Income Tax 18,040 13,125 4,915 Deperating Taxes Other than Income Deferred Income Taxes (5,513) (5,513) | | | | | | | | | | | |
| Miscellaneous Revenues Uncollectibles 37,500 37,500 Total Operating Revenues 37,500 37,500 OPERATING EXPENSES (4,177) (4,177) Plant Specific Operations Customer Operations Depr & Anort Other Income & Expenses Juris Dif - Depr/IDC (4,177) (4,177) Total Operating Expenses Operating Expenses Operating Taxes Other than Income ENT (14,043) (14,043) Net Operating Income Tax Net Federal Income Tax Net Federal Income Tax 18,040 13,125 4,915 NET OPERATING INCOME 33,503 24,375 9,128 INVESTMENT (AVO) Other Asses (SFAS 87) Depr & SA ROT Prop Held to Future Use Other Asses (SFAS 87) Depr & And Reserve Deferred Income Taxes (5,513) (5,513) | | | | | | | | | | | |
| Uncollectibles 37,500 Total Operating Revenues 37,500 OPERATING EXPENSES (4,177) Plant Specific Operations (3,199) Customer Operations (3,199) Customer Operations (3,155) Corporate Coperations (3,152) Depr & Amot (3,155) Other Income & Expenses (14,043) Juris Diff - Depr/IDC (14,043) Total Operating Expenses (14,043) Operating Taxes Other than Income 51,543 Bit T 51,543 State Income Tax 18,040 Net Foderal Income Tax 18,040 Total Income Tax 18,040 Net Foderal Income Tax 18,040 Total Income Tax 18,040 Net Foderal Income Tax 16,040 Total Operating Income Tax 16,040 Net Foderal Income Tax 16,040 Total Operating Income 33,503 24,375 9,128 INVESTMENT (AVO) (5,513) Telecom Plant in Service (5,513) Operating Taxes (5,513) | | | | | | | | | | | |
| Total Operating Revenues 37,500 OPERATING EXPENSES (4,177) Plant Specific Operations (3,199) Customer Operations (3,155) Corporate Operations (3,155) Corporate Operations (3,155) Corporate Operations (3,152) Depr & Amort (3,152) Other Income & Expenses (14,043) Juris Diff - Depr/IDC (14,043) Total Operating Expenses (14,043) Operating Taxes Other than Income (14,043) EBIT 51,543 37,500 State Income Taxes 18,040 13,125 Total Operating Come Taxes 18,040 13,125 Net Federal Income Taxes 18,040 13,125 Total Income Taxes 18,040 13,125 Net Federal Income Taxes 18,040 13,125 Total Income Taxes (5,513) (5,513) | | 37,500 | 37,500 | | | | | | | | |
| OPERATING EXPENSES Plant Specific Operations Plant Non-Spec Operations Customer Operations Customer Operations Juris Diff - Depr/IDC(4,177) (4,177) (4,177) (3,199) (3,199) (3,199) (3,155) (3,155) (3,512)Depr & Amort Other Income & Expenses Juris Diff - Depr/IDC(14,043)Total Operating Expenses Operating Taxes Other than Income EBIT(14,043)Net Federal Income Tax Total Income Taxes(14,043)Net Federal Income Tax Total Income Taxes18,040Net STMENT (AVO) Prop Held for Future Use Other Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxes(5,513)Net State Income Taxes Other Assets State Strate (SFAS 87) Depr & Amort Reserve Deferred Income Taxes(5,513)State Income Taxes Other Assets State Strate (SFAS 87) Depr & Amort Reserve Deferred Income Taxes(5,513)State Income Taxes Other Assets State Strate (SFAS 87) Depr & Amort Reserve Deferred Income Taxes(5,513)State Income Taxes Other Assets TPIS(5,513) | Uncollectibles | | | | | | | | | | |
| Plant Specific Operations (4,177) (4,177) Plant Non-Spec Operations (3,199) (3,199) Customer Operations (3,155) (3,155) Corporate Operations (3,512) (3,512) Dept & Amot (3,512) (3,512) Other Income & Expenses (14,043) (14,043) Operating Taxes Other than Income (14,043) (14,043) EBIT 51,543 37,500 14,043 Net Federal Income Tax 18,040 13,125 4,915 Total Income Tax 18,040 13,125 4,915 Net OPERATING INCOME 33,503 24,375 9,128 INVESTMENT (AVG) (5,513) (5,513) (5,513) Dept & Amot Reserve (5,513) (5,513) (5,513) | Total Operating Revenues | 37,500 | 37,500 | | | | | | | | |
| Plant Non-Spec Operations (3, 199) (3, 199) Customer Operations (3, 155) (3, 155) Corporate Operations (3, 152) (3, 512) Depr & Amort (3, 512) (3, 512) Other Income & Expenses (14,043) (14,043) Operating Taxes Other than Income 51,543 37,500 14,043 INCOME TAXES 18,040 13,125 4,915 State Income Tax 18,040 13,125 4,915 Net Federal Income Tax 18,040 13,125 4,915 INCOME TAKES (5,513) (5,513) (5,513) Net OPERATING INCOME 33,503 24,375 9,128 INVESTMENT (AVG) (5,513) (5,513) (5,513) Other Assets (SFAS 87) (5,513) (5,513) (5,513) | OPERATING EXPENSES | | | | | | | | | | |
| Customer Operations Corporate Operations Depr & Amort Other Income & Expenses Juris Diff - Depr/IDC(3,155) (3,512)(3,155) (3,512)Total Operating Expenses Operating Taxes Other than Income EBIT(14,043)(14,043)INCOME TAXES State Income Tax Net Federal Income Tax Total Income Taxes18,04013,1254,915INVESTMENT (AVG) Prop Held for Future Use Other Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxs States States TPIS33,50324,3759,128 | Plant Specific Operations | (4,177) | | (4,177) | | | | | | | |
| Corporate Operations Depr & Amort Other Income & Expenses Juris Diff - Depr/IDC(3,512)(3,512)Total Operating Expenses Operating Taxes Other than Income EBIT(14,043)(14,043)INCOME TAXES State Income Tax Total Income Tax Total Income Taxes(18,040)13,1254,915Net Federal Income Tax Total Income Taxes18,04013,1254,915INCOME TAXES State Income Tax Total Income Tax Total Income Taxes33,50324,3759,128INCESTMENT (AVG) Prop Held for Future Use Other Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxes(5,513)(5,513)Deferred Income Taxes Deferred Income Taxes(5,513)(5,513) | | | | | | | | | | | |
| Depr & Amort Other Income & Expenses Juris Dift - Depr/IDC International Stress Total Operating Expenses Operating Taxes Other than Income EBIT (14,043) INCOME TAXES 51,543 State Income Tax Total Income Tax Total Income Taxs 18,040 18,040 13,125 4,915 Net Federal Income Tax Total Income Taxes 18,040 18,040 13,125 4,915 Net Gereat Income Tax Total Income Taxes 18,040 18,040 13,125 4,915 Net Gereat Income Tax Total Income Taxes 18,040 13,125 18,040 13,125 18,040 13,125 18,040 13,125 18,040 13,125 18,040 13,125 18,040 13,125 18,040 13,125 18,040 13,125 18,040 13,125 18,040 13,125 19,128 (5,513) (5,513) 0ther Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Juris Assets TPIS | | | | | | | | | | | |
| Other Income & Expenses Juris Diff - Depr/IDC Total Operating Expenses Operating Taxes Other than Income EBIT 51,543 37,500 14,043) INCOME TAXES State Income Tax Net Federal Income Tax Total Income Taxes 18,040 13,125 4,915 13,125 4,915 1000000000000000000000000000000000000 | | (3,512) | | (3,512) | | | | | | | |
| Juris Diff - Depr/IDC Total Operating Expenses Operating Taxes Other than Income EBIT INCOME TAXES State Income Tax Net Federal Income Tax Net Federal Income Taxes NET OPERATING INCOME INVESTMENT (AVG) Telecom Plant in Service Prop Held for Future Use Other Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Juris Assets.TPIS | | | | | | | | | | | |
| Operating Taxes Other than Income EBIT51,54337,50014,043INCOME TAXES State Income Tax Net Federal Income Tax Total Income Taxes18,04013,1254,915NET OPERATING INCOME33,50324,3759,128INVESTMENT (AVG) Prop Held for Future Use Other Assets (SFAS 87) Defer Assets (SFAS 87) Defer And Reserve Deferred Income Taxes(5,513)(5,513)VIENDERATING Setting Seting Setting Setting Setting Setting S | | | | | | | | | | | |
| Operating Taxes Other than Income EBIT51,54337,50014,043INCOME TAXES State Income Tax Net Federal Income Tax Total Income Taxes18,04013,1254,915NET OPERATING INCOME33,50324,3759,128INVESTMENT (AVG) Prop Held for Future Use Other Assets (SFAS 87) Defer & Amort Reserve Deferred Income Taxes(5,513)(5,513)View Structure | Total Operating Expenses | (14.043) | | (14.043) | | | | | | | |
| EBIT51,54337,50014,043INCOME TAXES State Income Tax Total Income Taxes18,04013,1254,915NET OPERATING INCOME33,50324,3759,128INVESTMENT (AVG) Telecom Plant in Service Prop Held for Future Use Other Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxes(5,513)(5,513)Deferred Income Taxes(5,513)(5,513) | | | | | | | | | | | |
| State Income Tax Net Federal Income Tax Total Income Taxes18,04013,1254,915NET OPERATING INCOME33,50324,3759,128INVESTMENT (AVG) Telecom Plant in Service Prop Held for Future Use Other Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Juris Assets-TPIS(5,513)(5,513) | | 51,543 | 37,500 | 14,043 | | | | | | | |
| State Income Tax Net Federal Income Tax Total Income Taxes18,04013,1254,915NET OPERATING INCOME33,50324,3759,128INVESTMENT (AVG) Telecom Plant in Service | INCOME TAXES | | | | | | | | | | |
| Total Income Taxes18,04013,1254,915NET OPERATING INCOME33,50324,3759,128INVESTMENT (AVG)(5,513)(5,513)Telecom Plant in Service Prop Held for Future Use Other Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Juris Assets-TPIS(5,513) | | | | | | | | | | | |
| NET OPERATING INCOME33,50324,3759,128INVESTMENT (AVG)(5,513)(5,513)Telecom Plant in Service Other Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Juris Assets-TPIS(5,513) | Net Federal Income Tax | 18,040 | 13,125 | 4,915 | | | | | | | |
| INVESTMENT (AVG) (5,513) Telecom Plant in Service (5,513) Prop Held for Future Use (5,513) Other Assets (SFAS 87) (5,513) Depr & Amort Reserve (5,513) Deferred Income Taxes Juris Assets-TPIS | Total Income Taxes | 18,040 | 13,125 | 4,915 | | | | | | | |
| INVESTMENT (AVG) (5,513) Telecom Plant in Service (5,513) Prop Held for Future Use (5,513) Other Assets (SFAS 87) (5,513) Depr & Amort Reserve (5,513) Deferred Income Taxes Juris Assets-TPIS | NET OPERATING INCOME | 33 503 | 24 375 | 9 128 | | | | | | | |
| Telecom Plant in Service(5,513)Prop Held for Future Use(5,513)Other Assets (SFAS 87)(5,513)Depr & Amort ReserveDeferred Income TaxesJuris Assets-TPIS(5,513) | | 00,000 | 2.,0.0 | 0,.20 | | | | | | | |
| Prop Held for Future Use Other Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Juris Assets-TPIS | | | | | | | | | | | |
| Other Assets (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Juris Assets-TPIS | | (5,513) | | (5,513) | | | | | | | |
| Depr & Amort Reserve Deferred Income Taxes Juris Assets-TPIS | | | | | | | | | | | |
| Deferred Income Taxes Juris Assets-TPIS | | | | | | | | | | | |
| Juris Assets-TPIS | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | (94,158) | | (94,158) | | | | | | | |
| RATE BASE 88,645 88,645 | RATE BASE | 88.645 | | 88.645 | | | | | | | |

ADJUSTMENTS - INTRASTATE

| INTRASTATE | TOTAL ADJUSTMENTS | (A) Docket # UT-061777 | (B) & (E) FAS 106 OPEB | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|-----------------------------------|----------------------|------------------------------|------------------------------|-----|-----|-----|-----|-----|-----|-----|
| OPERATING REVENUES | | | | | | | | | | |
| Local Network Service | | | | | | | | | | |
| Network Access Revenues | | | | | | | | | | |
| Long Dist Ntwk Revenues | | | | | | | | | | |
| Miscellaneous Revenues | 37,500 | 37,500 | | | | | | | | |
| Uncollectibles | | | | | | | | | | |
| Total Operating Revenues | 37,500 | 37,500 | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | | | |
| Plant Specific Operations | (3,139) | | (3,139) | | | | | | | |
| Plant Non-Spec Operations | (2,107) | | (2,107) | | | | | | | |
| Customer Operations | (2,453) | | (2,453) | | | | | | | |
| Corporate Operations | (2,681) | | (2,681) | | | | | | | |
| Depr & Amort | | | | | | | | | | |
| Other Income & Expenses | | | | | | | | | | |
| Juris Diff - Depr/IDC | | | | | | | | | | |
| Total Operating Expenses | (10,380) | | (10,380) | | | | | | | |
| Operating Taxes Other than Income | | | | | | | | | | |
| EBIT | 47,880 | 37,500 | 10,380 | | | | | | | |
| INCOME TAXES | | | | | | | | | | |
| State Income Tax | | | | | | | | | | |
| Net Federal Income Tax | 16,758 | 13,125 | 3,633 | | | | | | | |
| Total Income Taxes | 16,758 | 13,125 | 3,633 | | | | | | | |
| | | | | | | | | | | |
| NET OPERATING INCOME | 31,122 | 24,375 | 6,747 | | | | | | | |
| | | | | | | | | | | |
| INVESTMENT (AVG) | | | | | | | | | | |
| Telecom Plant in Service | (4,104) | | (4,104) | | | | | | | |
| Prop Held for Future Use | | | | | | | | | | |
| Other Assets (SFAS 87) | | | | | | | | | | |
| Depr & Amort Reserve | | | | | | | | | | |
| Deferred Income Taxes | | | | | | | | | | |
| Juris Assets-TPIS | | | (| | | | | | | |
| Other LT Liab - SFAS 106, 112 | (71,788) | | (71,788) | | | | | | | |
| RATE BASE | 67,684 | | 67,684 | | | | | | | |